

TOWN OF SPANGLE
Spokane County, Washington
January 1, 1994 Through December 31, 1995

Schedule Of Findings

1. The Town Should Not Expend Public Funds For Private Benefit

During our review of the town's water and sewer utility services we noted the following instances where the town council did not collect for public works projects and improperly forgave or reduced accounts receivable.

- a. In 1993, the town council approved utility connections to a new residence for the relative of one council member with knowledge that the payment for the hook-up fees would be waived. The town contracted with and paid the contractor for installation of the water and sewer lines on private property. The project was completed in June 1994. The total amount of this gift was \$9,410.
- b. In July 1994, the town council approved repairs in the amount of \$509 to a water line on private property at the town's expense. The town's public works department completed the repair and did not bill the citizen for the cost of the project.
- c. In May 1995, the town council approved installation costs of \$415 for a water line on private property at the town's expense. The property owner was not billed for the cost of this installation.
- d. In February 1995, the town council forgave water use charges generated by a local business in the amount of \$2,572 at the request of the business owner. The owner did not accept the partial settlement from the town. The business subsequently closed but a balance of \$1,500 remains outstanding on the account. The town has failed to file a lien against the property for any part of the \$4,072 as required by the town's ordinance.

Article VIII, Section 7 of the Washington State Constitution states in part:

No county, city, town, or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company, or corporation, except for the necessary support of the poor and infirm . . .

Town Ordinance 290 states in part:

. . . hereafter, the property owner(s) shall be responsible for the installation and lateral sewer line installation from the property line to the existing sewer main. The cost shall be estimated by the Water Superintendent and the estimate shall be paid to the Town Treasurer by the person applying for such installation before the work of connecting the existing sewer main with the property is begun

The town has violated its own policies by not requiring citizens to pay for hook-up fees, line repairs, and utility bills. The town has not sought reimbursement on these projects. In addition, the activities result in a direct violation of the state constitution and loss of revenue to the town.

We recommend the town explore appropriate legal remedies in an effort to recover the full amount of the hook-up fees and water use charges that are owed to the town.